



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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FCC CHAIRMAN GENACHOWSKI UNVEILS NEW ACTIONS TO HELP CONSUMERS PREVENT & IDENTIFY “MYSTERY FEES” ON PHONE BILLS, KNOWN AS “CRAMMING”

Twenty Million Americans unaware of illegal and unauthorized mystery fees – called “cramming” – ranging from \$1.99 to \$19.99 on monthly phone bills;

FCC proposes \$11.7 million in penalties against four companies & releases Consumer Tip Sheet

Builds on FCC’s Consumer Empowerment Agenda

(Washington, D.C.) – Building on his Consumer Empowerment Agenda, FCC Chairman Julius Genachowski today announced plans to propose new rules to increase transparency and disclosure on phone bills, aiming to protect Americans from “mystery fees” and “**cramming**,” **which is the illegal placement of an unauthorized fee onto a consumer’s monthly phone bill.** The charges are for services like long-distance services, voicemail, or even diet plans or yoga classes that the consumer neither requested nor used.

Speaking at the Center for American Progress, Chairman Genachowski also unveiled an **FCC Cramming Tip Sheet** to help consumers identify and resolve this type of mystery fee if they’ve been affected. A recent expert survey showed that only five percent (5%) of consumers who were impacted by a particular cramming company were aware of the monthly charges. Based on the same survey and state data, the FCC believes an estimated 15 to 20 million American households a year potentially have these mystery fees on their monthly landline phone bills.

Chairman Genachowski said, “Our Consumer Empowerment Agenda is focused on harnessing technology and transparency to empower consumers with the information they need to make smart decisions and to make the market work. When abusive practices require action, we will act. We are focused on empowerment, education, and enforcement.” **He continued**, “Today, I’m also announcing that I will be circulating a proposal tomorrow to my colleagues to explore new ways to empower consumers and protect Americans against cramming and mystery fees.”

One example of cramming involves a St. Louis, Missouri woman who was charged for 25 months of long-distance service she never authorized or used. When she protested the charges, the company sent her a copy of the form that she had supposedly used to authorize the service. It had a different name, address, email and birth date than she did. Even so, the long-distance company offered to credit back only a fraction of the cost.

In addition, Chairman Genachowski discussed the FCC’s recent enforcement action against four companies, resulting in proposed penalties of \$11.7 million. He said, “Cramming is not only illegal, it erodes consumer trust in communications services. The FCC will not tolerate cramming, and we are

turning up the heat on companies that rip off consumers with unauthorized fees. We want to send a clear message: if you charge consumers unauthorized fees, you will be discovered and you will be punished.”

The FCC Enforcement Bureau issued Notices of Apparent Liability last week to four companies for allegedly charging thousands of consumers for long distance service that they had not ordered. The companies targeted in the FCC Notices of Apparent Liability are: Main Street Telephone (\$4,200,000); VoiceNet Telephone, LLC (\$3,000,000); Cheap2Digital Telephone, LLC (\$3,000,000); and Norristown Telephone, LLC (\$1,500,000).

The unlawful billing appears to have continued for months. According to the Enforcement Bureau, only one-tenth of one percent (0.1%) of consumers in two of the cases reviewed actually used the additional services for which they were being charged.

Chairman Genachowski concluded by saying, “Today, we are saying loud and clear to consumers trying to navigate the complex and constantly changing communications landscape: the FCC is on your side. We are focused on helping all Americans seize the tremendous opportunities of communications technology.”

[CLICK HERE](#) TO VIEW THE FCC CONSUMER TIP SHEET

[CLICK HERE](#) TO VIEW THE FCC INFOGRAPHIC ON CRAMMING

[CLICK HERE](#) TO VIEW A ONE-PAGE BACKGROUND SHEET

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